



U.S. Department of agriculture
Office of Inspector General
Southwest Region
Audit Report

Food and Nutrition Service
Child and Adult Food Program
Metro Feed-A-Meal, Inc.
Winnsboro, Louisiana



Report No.
27601-8-Te
MARCH 2001



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL
Southwest Region
101 South Main
Temple, Texas 76501



DATE: March 14, 2001

REPLY TO
ATTN OF: 27601-8-Te

SUBJECT: Child and Adult Care Food Program Metro Feed-A-Meal, Inc.,
Winnsboro, Louisiana

TO: Ruthie Jackson
Regional Administrator
Food and Consumer Service
1100 Commerce Street, Room 5-C-30
Dallas, TX 75242

This report presents the results of our audit of the Child and Adult Care Food Program operations administered by Metro Feed-A-Meal of Winnsboro, Louisiana.

The written responses from FNS and the Louisiana Department of Education to the draft report are included as exhibit E. Based on the written responses to the draft report, we concur with the management decision for Recommendation No. 1. Excerpts from the responses and our comments are presented in the Findings and Recommendations section of the report. Further, this section of the report explains the actions necessary to accept management decisions on Recommendations Nos. 2, 3, & 4.

In accordance with Department Regulation 1720-1, please furnish a reply within 60 days describing corrective actions taken or planned and the timeframe for implementing the recommendations for which management decisions have not yet been reached. Please note that the regulation requires management decisions to be reached on all findings and recommendations within a maximum of 6 months from report issuance. Please follow your internal agency procedures in forwarding final action to the Office of the Chief Financial Officer.

/s/
ROBERT E. GRAY
Regional Inspector General
for Audit

Attachment

EXECUTIVE SUMMARY

METRO FEED-A-MEAL, INC. WINNSBORO, LOUISIANA

REPORT NO. 27601-8-Te

RESULTS IN BRIEF

The Louisiana State Department of Education, Division of Nutrition Assistance, administers Federal funds to reimburse public or nonprofit sponsoring organizations (sponsors) for performance of United States Department of Agriculture (USDA) Child and Adult Care Food Program (CACFP) activities as authorized by legislation. The program is intended to enable sponsor organizations to integrate nutritious food service with organized care services for enrolled participants. Administrative cost payments to the sponsors may not exceed the lesser of the actual costs of administering the program, up to a maximum amount per home or the amount of administrative costs approved by the State agency in the sponsor's budget. Day-care providers are reimbursed for meals served to eligible children. Metro Feed-A-Meal, Inc. (Metro), contracts with the Louisiana Department of Education as a sponsoring organization. From their headquarters in Winnsboro, Louisiana, Metro, sponsors day-care home providers in various rural towns in northeast Louisiana.

The audit was performed as part of a nationwide audit of CACFP. Of the 64 sponsors operating in Louisiana as of March 9, 1999, we selected Metro based on a risk assessment of two sponsors recommended by the State agency. Our objectives were to: (1) conduct an intensive review (sweep) of a sponsor who we identified as a potential problem sponsor, (2) identify the types and magnitudes of abuses in which the sponsor engaged, (3) provide data to Food and Nutrition Service (FNS) and the State agency to affect claims and/or sanctions against the sponsor, and (4) refer cases of potential fraud to Office of Inspector General (OIG) Investigations.

A sponsor may be determined to be "seriously deficient" in its administration of the CACFP by the State agency if the sponsor fails to monitor or train its providers. The conditions that we found at this sponsor's providers may warrant this determination. In January 2000, 155 of the sponsors' providers claimed meals totaling \$32,239. We made visits to 72 providers and examined the claims of 65 of the providers that subsequently filed meal claims in January 2000. We determined that 59 providers did not comply with program regulations. These providers did not comply with recordkeeping requirements, did

not operate during approved hours or care and meal times, claimed meals for resident children when a nonresident child was not claimed, claimed meals for children who were not registered for CACFP, exceeded licensed capacity, and/or did not comply with safety requirements. As a result, they claimed \$13,163 in excessive meal reimbursements for January 2000; of this amount the sponsor disallowed \$3,596. Further, we questioned whether nine of these providers provided meals as claimed because two providers were not home during our attempted visits, and the other seven either withdrew from the program, or were terminated following our visits. We concluded that these conditions developed because the sponsor did not effectively monitor the providers.

KEY RECOMMENDATIONS

We recommend that FNS instruct the State agency to evaluate the conditions disclosed in this report and determine if the sponsor is seriously deficient in its administration of the CACFP and to take the appropriate actions if this determination is warranted. We also recommend that the State agency recover \$9,567 (\$13,163 claimed less \$3,596 offset by the sponsor) in meal claims. Further, the State agency should examine the history of participation for the two providers that were not home during our visits and determine whether they have histories of fraudulent participation.

AGENCY RESPONSE

sponsor. (See exhibit E.)

In their responses, FNS and the Louisiana Department of Education concurred with the findings and recommendations. They also reported the State agency terminated the

OIG POSITION

We have accepted a management decision on Recommendation No. 1. We will be able to accept management decisions for the remaining recommendations when FNS and the Louisiana Department of Education have taken the action outlined under OIG Position in the Findings and Recommendations section of the report.

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INTRODUCTION

BACKGROUND

Metro, of Winnsboro, Louisiana, is a sponsor of day-care facilities that provides meals to children enrolled in the USDA CACFP. The program is intended to enable

institutions to integrate nutritious food service with organized care services for enrolled participants. Each day-care home shall serve one or more of the following meal types: breakfast, lunch, supper, and supplemental food snacks. Reimbursement shall not be claimed for more than two meals and one supplement snack provided daily to each child. To be eligible for reimbursement, the meals must meet specified nutritional standards. The program is administered at the Federal level by FNS and in most States by a State agency. In Louisiana, the administering State agency is the Louisiana State Department of Education, Division of Nutrition Assistance.

To participate, a facility must provide day care in either a day-care home (home) or a day-care center. Homes are operated by providers in their personal residences and must be licensed in accordance with applicable local licensing regulations. Louisiana does not require licensing of homes, but does require that homes, which receive any form of Government assistance be registered through the Department of Social Services. The home can serve up to six children ranging from birth through 12 years of age. The registration period is 1 year.

The Department of Public Safety, Office of the State Fire Marshal, makes onsite inspections of the home at the location given by the provider on Form OFS PI-13a. A checklist is used during the inspection to assure that health and safety standards are met in the home. The fire marshal must visit the home each year before the provider can be certified.

State agencies administer their programs through sponsors such as Metro. Sponsors are public or private nonprofit organizations that function as liaisons between the State agency and the facilities they sponsor. Sponsors are responsible for program operations in the facilities they sponsor. Sponsors are required by regulations to carry out certain oversight activities. For example, they are required to regularly visit each of their providers to ensure that the providers are in compliance with program requirements. Sponsors are also required to provide annual training to providers. Home providers cannot participate directly in the program but must participate through a sponsor.

Each month a sponsor collects meal count and attendance data from its home providers, prepares consolidated monthly claims, and submits them to the State agency. The State agency pays the sponsor, and the sponsor reimburses its providers.

Federal regulations also allow sponsors to claim reimbursements for their actual costs of administering the program, up to a maximum amount per home. The amount per home is adjusted annually and varies depending on the total number of homes sponsored. The more homes a sponsor administers, the more reimbursement it can claim. During any FY, administrative cost payments to a sponsoring organization may not exceed the lesser of (1) actual expenditures for costs of administering the program, less income to the program, or (2) the amount of administrative costs approved by the State agency in the sponsoring organization's budget, or (3) the sum of the product obtained by multiplying each month the sponsoring organization's: (i) initial 50 homes by \$76 (July 1998 through June 1999) or \$78 (July 1999 through June 2000); (ii) next 150 homes by \$58 (July 1998 through June 1999) or \$59 (July 1999 through June 2000).

The sponsor, Metro, received \$711,719.80 in Federal funds for FY 1999. The sponsor kept \$122,719.04 of the funds to cover its administrative expenses and disbursed the balance to its enrolled providers. On average, the sponsor enrolled 171 providers in FY 1999. In December 1999, the sponsor received \$11,157 in administrative reimbursement and \$45,330 in meal reimbursement for 173 providers.

OBJECTIVES

The objectives of the audit were to: (1) conduct an intensive review (sweep) of a sponsor who we identified as a potential problem sponsor, (2) identify the types and magnitudes of abuses in which the sponsor engaged, (3) provide data to FNS and the State agency to affect claims and/or sanctions against the sponsor, and (4) refer cases of potential fraud to the Office of Inspector General (OIG) Investigations.

SCOPE

We selected the sponsor, Metro, located in Winnsboro, Louisiana, based on the results of our risk analysis performed on two sponsors submitted to us by the State agency as potential audit candidates. The risk analysis included (1) review of the sponsor's annual budgets and management plans, (2) review of employees' and board members' names to identify any related to the sponsor's administrator, (3) review of State agency program review files and reports, (4) discussions with State auditors and reviewers, (5) review of sponsor's claims history, (6) review of correspondence and complaint files, and (7) review of the sponsor's involvement in other programs or activities.

During the week of January 24 through 28, 2000, we made unannounced home visits to 72 providers to verify claims and compliance with program requirements. The observations made during the visits were then compared to the January 2000 claims submitted by the visited providers.

The sponsor's actual claim for the month of January 2000 was dated February 14, 2000, and included claims for 155 providers. We noted that 65 of the 72 providers we visited submitted meal claims in January 2000.

Audit coverage at the sponsor level included a review of the sponsor's FY 1999 and the first 3 months of FY 2000 administrative costs totaling \$164,224. We performed a detailed analysis of supporting receipts, cancelled checks, and bank statements to verify claimed administrative expense. In addition, we reviewed 333 monitoring visits of 74 providers performed by the sponsor during the period of March 16, 1998, through February 23, 2000.

For FY 1999, the sponsor received \$711,719.80 in Federal program funds. The sponsor retained \$122,719.04 of the Federal funds to cover its administrative expenses. The remaining \$589,000.76 was to reimburse the sponsor's providers for meal claims.

The audit was conducted in accordance with the Government auditing standards, issued by the Comptroller General of the United States. Accordingly, the audit included such tests of program and accounting records as considered necessary to meet audit objectives.

METHODOLOGY

To accomplish our objectives, we interviewed officials and reviewed records at the Louisiana State Department of Education located in Baton Rouge, Louisiana, to obtain background information about the sponsor and details of prior State agency reviews of the sponsor. In addition, we obtained information concerning State-licensing requirements for home facilities.

Background information on the sponsor and its providers was obtained at the Louisiana State Department of Education, Division of Nutrition Assistance. We based our universe of potential home visits on the December 1999 claim submitted by the sponsor that included meal claims for 173 homes.

We interviewed staff members at the sponsor's office to obtain an understanding of their operating procedures. We reviewed documentation provided to us to support the sponsor's claims for reimbursement of meal and administrative expenses. Records reviewed

included receipts, cancelled checks, provider meal counts, and monitoring and training forms.

The providers are located in Winnsboro, Louisiana, where the sponsor's headquarters is located and in various surrounding rural towns in northeast Louisiana. We judgmentally selected providers for home visits primarily on the basis of questionable meal patterns (maximum number of meals claimed for all children), taking into consideration locations and meal service times.

At the day-care providers, we interviewed providers and other persons present; reviewed records, including attendance logs, meal counts, and licenses; and reviewed safety requirements, counted children in attendance, and observed general conditions.

FINDINGS AND RECOMMENDATIONS

CHAPTER 1 – PROVIDER NONCOMPLIANCE WITH REGULATIONS
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FINDING NO. 1

We identified violations of program regulations at 59 of the 72 providers visited (82 percent), including 2 providers who were not at home during the stated hours of operations. Of the 72 providers visited, 65 subsequently filed January 2000 claims on which we identified 59 providers who did not comply with 1 or more of the following requirements: feeding children, keeping records, operating at authorized times, claiming resident children meals when nonresidents children were not present, claiming children that were not enrolled in the CACFP, exceeding licensed capacity, and/or disregarding safety requirements. We concluded that these conditions developed because the sponsor did not adequately monitor the providers. As a result, we questioned \$13,163 in excessive meal reimbursement to the providers (see exhibit C).

Metro uses the State Form DCH-110, Sponsor Monitoring Form, to perform its provider reviews. This form serves as a checklist of items required by the State agency. State agency policy, CACFP-DCH-94-14, requires that the sponsor must monitor all meal types claimed by a provider within each year. Our review of 74 providers' monitoring forms showed that 23 providers (31 percent) did not have all their authorized meal types reviewed by the sponsor within a year. In addition, sponsors must perform an onsite review of each provider 3 times a year, with not more than 6 months elapsing between reviews. Our review of the 74 providers showed that the sponsor did not meet that requirement on 3 providers. Further, we questioned the adequacy of the monitoring reviews because of the results we found during our home visits with the providers. Of the 70 providers we actually found at home, 59 (84 percent) had 1 or more violations of CACFP requirements. These violations are discussed in the following findings.

VALIDITY OF PROVIDERS' MEAL CLAIMS QUESTIONABLE

Of the 59 providers with program violations, we questioned whether 9 providers provided meals as claimed. Two providers were not home during our visits, and one filed a January meal claim for the days when OIG noted that they were not home. In addition, three providers advised us during the home visits that they had

discontinued participating in the program; two providers contacted the sponsor after the home visits and requested that they be placed on inactive status until further notice; and one provider requested that she be dropped from the program. Further, one provider we visited and suspected of filing false claims was found by the sponsor to have been working outside the home since November 1999 and was terminated from the program.

Federal regulation and Louisiana procedures prohibit providers from claiming meal reimbursements if they are not home or are not caring for children on the day of a review of their facilities. Also, Louisiana procedures require providers to notify the sponsor when they are not going to be home during scheduled times of day-care service. The sponsor maintains a daily telephone log that records the date, time, name of provider, comments that explain if a provider is not operating, and when the provider resumed operations. Further, procedures require the sponsor to research for fraud those providers who are not participating as scheduled.¹ These procedures function as an effective control for the State agency.

For the two providers (nos. 55 and 56) who were not home during our initial visit, we made one additional visit and still found no one home. We also reviewed the sponsor's daily telephone log for the days we visited these providers and found they had not called in to report that they were not operating. A subsequent review of the January 2000 meal claims for these providers showed that one of the providers claimed meals on the days OIG visited.

Provider 55 - We visited the provider twice and found no one home during either visit even though the hours of day care operation were from 6:00 A.M. to 8:00 P.M.. We visited on January 25 at 8:40 a.m. and on January 31 at 2:15 p.m. The provider claimed breakfasts, afternoon snacks, and suppers on the days we visited. The overpayment totaled \$37 for January.

Provider 56 - We visited the provider twice and found no one home for either visit. We visited the provider on January 27 at 10:57 a.m. and again on January 31 at 10:10 a.m. A day after our first visit, the provider called the sponsor and stated that she had stopped operating on January 20 due to personal reasons and that she would call in when she resumed operations. The provider did not claim meals after January 20, 2000.

We also questioned whether seven additional providers actually served children all the meals they claimed. The providers informed us at the time of our visit that they were no longer participating in the program, or after

¹ LA. CACFP-DCH 92-14.

our visit they requested the sponsor place them on inactive status. None of the providers notified the sponsor, prior to our visit, of their nonparticipation.

Provider 14 - We visited the provider on January 25. The provider advised the audit team that she stopped participating in CACFP at the first of the year. However, our review of the sponsor's call-in log showed that during the period of December 1999 through January 25, the provider had not called the sponsor to notify them that she was no longer participating in the program. The provider did not submit a meal claim for January.

Provider 45 - On January 26, the provider stated during our visit that she no longer participated in the CACFP and did not intend to claim meals for January 2000. However, she subsequently submitted a January meal claim for \$287. The sponsor denied the claim based on our review. The provider had not contacted the sponsor during the month of January to notify them that she was not participating in the CACFP. The sponsor notified us that on February 1, the provider asked to be placed on inactive status due to personal reasons.

Provider 24 - We visited the provider on three separate occasions. We visited on January 25 at 12:40 p.m. and found no one home. On January 26 at 2:05 p.m., we spoke to the provider's son. He said that he did not know where the provider was, when she would be back, or if she still provided day care. On January 27 at 10:50 a.m., we met with the provider and she stated that she stopped providing day care on January 25, for personal reasons and that she had no records. The sponsor's call-in log did not show the provider notified the sponsor that she was not participating. The provider did not claim meals after January 24, 2000. However, since she had no records to meet recordkeeping requirements, we questioned the \$250 January meal claim she submitted for the period of January 3 through January 24. The sponsor disallowed the meals claimed on the January 17, holiday and placed the provider on inactive status effective January 25.

Providers 57 - We visited the provider on January 25 at 5:45 p.m. and found that attendance and menu records were not available. The provider said her daughter had them, and they were not completed. There were no children at the provider's home during our visit. The provider also told the auditors that she sold candy to the children in her care. Because the provider did not meet recordkeeping requirements, we questioned the meals claimed for the period of January 3 through 21, which totaled \$124. After our visit, the sponsor notified us that the provider asked to be placed on inactive status.

Provider 61 - We visited the provider on January 31 at 6:00 p.m., where the daughter spoke to us from behind the door. The daughter told us that her mother was not home, and she did not know when she would return. The provider did not submit a meal claim for January. The sponsor notified us that the provider called in after February 3, and requested to be placed on inactive status.

Provider 70 - We visited the provider on January 26, and found that the meal and attendance records were not current, and the provider did not have a fire extinguisher. The provider also told us she was not caring for children during the week of our review because her son was ill. On January 31, the sponsor contacted the provider to follow up on errors we found. The sponsor reported to us that the provider asked to be removed from the program. The provider did not submit a January 2000 meal claim.

Provider 59 - We visited the provider on January 25 and were required to wait 35 minutes for the provider to produce the menu and attendance records. The sponsor had previously conducted monitoring reviews on January 18 and 24 and the provider was not home on either review. Documented on the second monitoring review, the monitor questioned whether the provider was working. After our visit, the sponsor conducted a technical assistance visit on January 28, with the provider. The provider informed the sponsor she was employed at the Tallulah Correctional Center. The sponsor verified that the provider started working at the center on November 17, 1999. The sponsor terminated the provider, and the provider did not submit a January meal claim.

MEAL DISALLOWANCES DUE TO NONCOMPLIANCE WITH PROGRAM REQUIREMENTS

Including the 9 providers previously discussed, 59 did not comply with recordkeeping requirements, with approved hours of care and meal times, claimed meals for resident children when a nonresident child was not claimed, claimed

meals for children that were not registered for CACFP, exceeded licensed capacity, and/or did not comply with safety requirements. As a result, these 59 providers received excessive meal reimbursements totaling \$13,163.

Program regulations state that providers must keep daily records on meal counts, menus, enrollment, and attendance to support their sponsoring organization's reimbursement claims.² Providers are also required to see to the safety of the children in their care.³

² Code of Federal Regulations (CFR) 226.18 (d) and (e), May 22, 1996.

³ Louisiana State Department of Education CACFP-DCH memoranda series, REF: CACFP-DCH-92-14, September 17, 1992, and CFR 226.6 (d) (3), May 22, 1996.

Louisiana State Department of Education imposes the following sanctions for program violations.⁴

VIOLATION	SANCTION
Provider not participating as scheduled.	Disallow payment for the day of service; require provider to be notified of the consequences of repeated findings; require followup and corrective action within 5 working days. Require sponsor to research for fraud.
Daily meal count and menu records not being kept (1-day tolerance).	Disallow payment from first of month to day prior to review for nonrecorded days; require followup.
Meal count records recorded in advance.	Disallow payment for days recorded in advance; require corrective action and followup; require provider be advised of fraud penalty.
Service schedule noncompliant (different than recorded schedule).	Cite and require corrective action; disallow payment for the meal; require followup.
Resident child claimed without nonresidents.	Disallow resident child for meals served without nonresident.
No menu record.	Disallow all children claimed for those meals.
Imminent threat to the health or safety of the children; inoperable smoke alarm or fire extinguisher.	Provider ineligible as of the day of review until compliance is documented by one sponsor follow up review.
More than six children at one time.	Provider ineligible as of day of visit until two-sponsor-conducted followup visits document compliance. If the additional children found are resident children, provider is ineligible from the date provider became noncompliant once the attendance of her own children is considered.

We contacted the education section administrator for the State agency to obtain clarification for the definition of “not participating as scheduled.” We were informed “not participating as scheduled” means if they attempt to visit a provider during the provider’s stated hours of operation, and the provider is not home and has not notified the sponsor, they are not participating as scheduled. The sanction imposed is to disallow all meals served to all children on the date of the visit.

⁴ Louisiana State Department of Education CACFP-DCH memoranda series, REF: CACFP-DCH-92-14, September 17, 1992.

During January 2000, we visited 72 home providers sponsored by Metro. For each of the 70 providers we found at home (2 providers were not at home), we determined whether: (1) providers complied with recordkeeping requirements, (2) providers complied with approved hours of care and meal times, (3) resident children were claimed only when nonresident children were also claimed, and (4) providers complied with health and safety requirements. (See exhibit C for a schedule of problems noted for each provider.)

Most of the problems found resulted from providers not keeping adequate meal-count records. Providers are required to record on a daily basis which meals are served to each child in their care. Meal-count records should be completed through at least the prior day and not be prepared in advance. We found that ten of the providers had not maintained current meal-count records, and five providers had recorded meal counts in advance.

Providers are also required to keep daily menus to record the specific food items served for each meal claimed. These records allow the sponsor to verify that meal component requirements are met. We found that 24 of the providers had not prepared menus and/or daily attendance count records for the month of January. Without accurate documentation of the meal components served, we were unable to verify that children received proper nourishment.

We found that 13 providers were not participating as scheduled. We visited 11 of the providers more than once because the providers were not home during the providers' stated hours of operations on the first visits. None of the 13 providers notified the sponsor that they were not home or were not operating on the day of our visit.

Four providers planned meals that did not include all required food components, and two providers claimed meals for resident children without nonresident children present. We also found one provider that was not in compliance with its approved service schedule and one provider that claimed meals for a child that was not registered in the CACFP.

Another provider (provider no. 30) was authorized to serve and claim suppers for enrolled children. During our visit, the provider told the audit team that she did not serve suppers. However, we determined that for the period of August through December 1999, the provider claimed 589 suppers. Based on the provider statement, we questioned whether the entire 589 suppers were actually served to the children. Our review also found that the provider cared for more than six children at one time, and menus and attendance sheets were not available for inspection. The sponsor terminated the provider.

In addition, we noted health and safety concerns and State licensing violations at 23 of the providers we visited. Five providers had more children present in the home than permitted by their licenses. Ten providers did not have working smoke alarms, and two providers did not have smoke alarms. One (provider no. 33) of the two providers that did not have smoke alarms advised the audit team that she had loaned her smoke alarm to another provider (provider no. 20). We classified both of these providers as not having smoke alarms. In addition to not having a working smoke alarm, provider 42 did not have protective plates on the electrical outlets and light switches. One provider (provider no. 75) used an open-flame heater without a screen and without an open window. There were four providers (provider nos. 8, 22, 70, and 71) that did not have fire extinguishers. We also noted unsanitary conditions at one house (provider no. 76).

During our home visits, we noted that five providers had fire extinguishers with expired inspection tags. The Department of Public Safety, Office of the State Fire Marshal, makes on-site inspections of homes each year before providers can be certified. A checklist is used during these inspections to ensure health and safety standards are met. We contacted an official with the Louisiana Office of the State Fire Marshal and were advised that one of the items they check during the inspection is that the fire extinguisher is properly charged. According to the official, not posting the date of inspection of the fire extinguisher tag may have been an oversight, but not likely. There have been incidents where day-care operators loaned or borrowed other operators' fire extinguishers. According to the official, they would like to see the names of the operators written in indelible ink on the operators' fire extinguishers. This action would ensure that operators' fire extinguishers are properly located in the homes that are inspected. Because all five of these providers had passed their latest fire inspections, we did not take exception to expired tags on the fire extinguishers; however, we endorse a recommendation that the names of the providers be written on the fire extinguishers. Examples of providers with health and safety concerns follow.

Provider 22 - We visited the provider on January 27 at 2:30 p.m., and the provider told us that the fire marshal inspector took his fire extinguisher with her to get inspected and never returned it. The date of the fire marshal's inspection was May 20, 1999. There has been no fire extinguisher in the home since the fire inspection. The provider stated that he called the sponsor and was told the sponsor would find it. The overpayment totaled \$1,253.97 for the period May 20, 1999, through December 1999 because of no fire extinguisher. The sponsor disallowed the provider's entire claim for January.

Provider 71 - On January 31 at 1:30 p.m., we visited the provider and found that there was no fire extinguisher. The provider stated that the fire

extinguisher had been turned over to an official from the sponsor about a week after the fire marshal inspected her home. The sponsor official was to repair and return the extinguisher according to the provider. The fire extinguisher has yet to be returned. We noted that the cabinets over the stove were charred on the outside due to a recent fire. The fire marshal's inspection was conducted on December 29, 1999. We questioned the total January meal claim of \$407.97.

Provider 76 - We visited this provider on January 26 at 2:45 p.m., and had concerns about the sanitary conditions of the trailer home. The kitchen area had dirty dishes and dried/rotten food on the counters, table, and floor. Roaches were visible in large numbers in both the kitchen and living area. The living area had dried food, dirt, and other unidentifiable substances on the floor and furniture. The provider also did not have menu and attendance records for January. We questioned the meals claimed for the period January 3 through January 24 for no records and the meals claimed for the period January 26 through 31 for unsanitary conditions. The dollar amount of questioned meals totaled \$397.80 for January. The sponsor disallowed \$310.88 in meal claims to the provider for January.

RECOMMENDATION NO. 1

Instruct the State agency to evaluate the conditions disclosed in this report and determine if the sponsor is seriously deficient in its administration of the program, and take the appropriate action.

FNS Response

In the written response from the Supervisor of the Child Nutrition Section of FNSRO to the draft report, FNS agreed with the finding and recommendation. The FNS advised that the State agency has terminated the sponsor.

STATE AGENCY RESPONSE

The Director of the Louisiana Department of Education, Division of Nutrition Assistance' written response to the draft report stated that the State terminated the sponsor from participating in the CACFP effective December 31, 2000. The State agency also reported the sponsor, involved employees, and board members to USDA for inclusion on the national list of seriously deficient institutions.

OIG Position

We accept the management decision.

RECOMMENDATION NO. 2

Require the State agency to examine providers' nos. 55 and 56 histories of participation to determine if the providers filed fraudulent claims. Notify OIG of the results of these examinations.

FNS Response

FNS agreed with the recommendation.

STATE AGENCY RESPONSE

The State agency agreed with the recommendation and has requested the sponsor to provide all CACFP documentation for children enrolled with providers nos. 55 and 56. The State will analyze the claims and contact the parents of the enrolled children to verify authenticity of the claims.

OIG Position

To reach a management decision, we need documentation supporting the results of the State's analysis.

RECOMMENDATION NO. 3

Require the State agency to collect \$9,567 (13,163 claimed less \$3,596 offset by the sponsor) from the sponsor for ineligible meals claimed by the providers listed in exhibit C.

FNS Response

FNS agreed with the recommendation.

STATE AGENCY RESPONSE

The State agency agreed with the finding and will issue a demand letter to the sponsor to recover the over claim in the amount of \$9,567.

OIG Position

To reach a management decision, please provide a copy of the demand letter informing the sponsor of the amount owed and documentation that the amount owed has been established as a receivable or repaid.

RECOMMENDATION NO. 4

Instruct the State agency to work with the Louisiana Office of the State Fire Marshall to have the providers write their names and addresses on their fire extinguishers to maintain accountability of safety equipment.

FNS Response

FNS agreed with the recommendation.

STATE AGENCY RESPONSE

The State agency issued instructions, via e-mail, to all sponsors urging immediate recording of the providers' names and addresses on their fire extinguishers. The State is discussing the matter with the staff of the Office of State Fire Marshall and is awaiting a decision.

OIG Position

To reach a management decision, please provide the result of the discussion with the staff of the Office of State Fire Marshall concerning the recording of the names and addressees of providers on their fire extinguishers.

EXHIBITS

A – SUMMARY OF MONETARY RESULTS

Findings Number	RECOMMENDATION Number	Description	Amount	Category
1	3	Ineligible Meals	\$9,566.61	Questioned Costs/ Recommended Recovery
1	1	Corrective Action by Sponsor on Ineligible Meals	3,596.22	Management or Operating Improvement/ Savings
		Total	\$13,162.83	

B – SUMMARY OF PROVIDERS NOT HOME

Provider Number	Dates of Visits	Times of Visits	Hours of Operations per Application	Approved Meal Types	Meals Claimed On Days One or More Visits	Breakfast	A.M. Snack	Lunch	P.M. Snack	Supper	Amount of Meal Disallowances	Notes
55	01/25/00 01/31/00	8:40 a.m. 2:15 p.m.	6:00 a.m. to 8:00 p.m.	B,L,P,S	B,P,S	12			12	12	\$ 37.32	
56	01/27/00	10:57 a.m.	6:00 a.m. to 6:30 p.m.	B,L,P,S		0		0	0	0	0	(A)
	01/31/00	10:10 a.m.										
TOTAL											\$37.32	
Note:												
(A) On January 28, a day after our initial visit, the provider called the sponsor to advise that she stopped operating on January 20 due to personal reasons.												

C – SUMMARY OF PROVIDERS WITH ERRORS FOUND DURING HOME VISITS

Number Count	Provider Number	Breakfast	A.M. Snack	Lunch	P.M. Snack	Supper	Amount of Meal Disallowances	Corrective Action by Sponsor	Amount Due From Provider															
										1	2	3	4	5	6	7	8	9	10	11	12	13	Notes	
1	1	64		32	96	96	\$323.20	\$323.20		X					X									
2	2									X														(H),(L)
3	5	44			44	44	136.84	74.64	\$62.20		X					X								
4	6			14	16	16	58.70	13.33	45.37	X		X												
5	7	60			60	60	186.60	186.60							X									
6	8				18	21	44.49	10.14	34.35						X	X								
7	9	28			28	28	87.08	87.08							X									
8	10	90			90	90	279.90	130.62	149.28						X									
9	11	12		3	15	15	48.96	11.64	37.32		X													
10	12	5					4.60		4.60					X										
11	13	1,200		1,468	1,475	272	4,727.26		4,727.26						X		X							(A),(D)
12	14																	X						(D)
13	15	48			48	48	149.28	149.28							X									
14	16	75			75	80	241.70	241.70							X					X				
15	17			114	114	114	442.32	309.40	132.92						X	X								
16	18										X													(K)
17	20	25			25	25	77.75		77.75				X			X								
18	21			2			3.38		3.38									X						
19	22	222			447	453	1,319.28	65.31	1,253.97		X			X		X								(B)
20	23	24		20	24		67.88	16.97	50.91		X						X							
21	24			64	80	60	249.56	16.02	233.54	X					X									(M)
22	25	20			20	20	62.20	3.11	59.09						X	X								
23	27	18	18	18	8	8	73.50		73.50													X		(I)
24	28	85			85	85	264.35	31.10	233.25		X					X								
25	29	96		96	96		298.56	37.32	261.24						X									
26	30												X		X		X							(D),(E),(H)
27	31			4			6.76	5.07	1.69				X											
28	32	17		17	35	36	122.71	85.15	37.56				X		X	X								

Number Count	Provider Number	Breakfast	A.M. Snack	Lunch	P.M. Snack	Supper	Amount of Meal Disallowances	Corrective Action by Sponsor	Amount Due From Provider														Notes
										1	2	3	4	5	6	7	8	9	10	11	12	13	
29	33	5			5	5	15.55	15.55							X								
30	35	7		17	24	24	87.73		87.73						X								
31	36	5			6	6	19.43		19.43	X					X								
32	39	20		10	30	30	101.00		101.00							X							
33	40			32	80	80	229.28		229.28					X									
34	41	16	8	35	16	12	106.15		106.15	X													
35	42			83	83	83	322.04	98.33	223.71					X	X								
36	45			40	100	100	286.60	286.60										X					(C),(G)
37	46			20	20	20	77.60	77.60				X											
38	47				20	25	52.25	43.80	8.45			X											
39	48			20	20	20	77.60	19.40	58.20							X							(H)
40	49	8		8	20	18	61.30		61.30	X					X								
41	50	45			86	85	228.05	15.90	212.15					X									
42	53				6	6	13.14		13.14	X													
43	55	12			12	12	37.32	11.98	25.34	X													
44	56									X													(G)
45	57	33		33	75		123.63	9.33	114.30					X									(G)
46	58										X												(K)
47	59																						(D),(H),(J)
48	60	51		21	51	102	280.29	280.29						X									
49	61									X													(D),(G)
50	66									X		X			X								(D)
51	68				19	19	41.61	2.19	39.42										X				
52	69	75		15	90	90	291.45	291.45						X									
53	70													X	X								(D),(F)
54	71	72		48	119	119	407.97	20.20	387.77	X					X								
55	72	4		12	14		30.96	5.38	25.58	X		X											
56	73			36	108	108	297.36	16.52	280.84	X				X									
57	74	2		3	3		8.41	1.69	6.72	X													
58	75	75		15	90	90	291.45	291.45						X	X								
59	76	110		20	120	120	397.80	310.88	86.92					X	X								

Number Count	Provider Number	Breakfast	A.M. Snack	Lunch	P.M. Snack	Supper	Amount of Meal Disallowances	Corrective Action by Sponsor	Amount Due From Provider														
										1	2	3	4	5	6	7	8	9	10	11	12	13	Notes
Totals							\$13,162.83	\$3,596.22	\$9,566.61	13	10	5	4	2	24	18	5	1	2	1	1	1	

Legend:

- 1 Provider not participating as scheduled.
- 2 Daily meal count and menu records not being kept (1 day tolerance).
- 3 Meal count records recorded in advance.
- 4 Meal noncompliant (meal did not include all required meal components).
- 5 Resident child claimed without nonresidents.
- 6 No menu records and/or attendance sheets for January 2000.
- 7 Imminent threat to the health or safety of the children (no fire extinguisher and/or smoke detector and/or unsanitary home).
- 8 More than six children at one time.
- 9 Service schedule noncompliant (different than recorded schedule).
- 10 Provider did not contact sponsor that she was not participating in CACFP in January 2000.
- 11 Provider claimed meals for ineligible child (child not on program).
- 12 Provider claimed meals when OIG witnessed no children at meal service.
- 13 Provider approved for outside employment and not authorized to claim meals on days she worked.

Notes:

- (A) During our visit there were eight children in the home including six enrolled and two live-in grandchildren who were not enrolled. Grandchildren were 11 months and 1 year old. The provider advised the auditors that the grandchildren have lived with her since they were born. Violation: more than six children at one time. Disallowance of meals includes meals for the period January 1999 through December 1999: breakfast - 573, Lunch- 735, p.m. snack - 738, and suppers - 165 at FY 1999 reimbursement rates; and breakfast - 627, lunch - 733, p.m. snacks - 737 and suppers - 107 at FY 2000 reimbursement rates.
- (B) No fire extinguisher since May 21, 1999. The provider told auditors that the fire marshal took the fire extinguisher during annual fire inspection on May 20, 1999, and never returned it. Disallowance includes meals for the period May 21, 1999 through December 1999: breakfast- 75, p.m. snack- 87, and suppers - 87 at FY 1999 reimbursement rates; and breakfast - 147, Lunch - 78, p.m. snack - 360, and suppers - 366 at FY 2000 reimbursement rates.
- (C) Provider advised audit team that she would not submit a January meal claim since she was not participating in CACFP. However, she submitted a January meal claim.
- (D) Provider did not submit a meal claim for January 2000.
- (E) Provider advised audit team that she does not serve suppers; however, the provider claimed 589 suppers during the period of August 1999 through December 1999. The sponsor terminated the provider and the January 2000 claim was not paid.
- (F) Provider requested that the sponsor remove her from the CACFP. Request was made after OIG visit.
- (G) Provider requested that the sponsor place her on inactive status until further notice. Request made after OIG visit.
- (H) Sponsor terminated provider.
- (I) Meals were disallowed for days provider worked at outside employment during September 1999.
- (J) Audit team advised sponsor of suspicions that the provider completed menus and attendance sheets while auditors waited for provider to look for records and cared for too many children. The sponsor subsequently conducted a technical assistance review and was informed by the provider that she was employed at a correctional center since November 11, 1999.
- (K) Provider took corrective action by not claiming meals questioned by the audit team on the January claim.
- (L) Provider became employed on January 25, 2000, the day of visit but did not call in to sponsor. Provider did not claim meals on day of visit and for the rest of the month.
- (M) On our third attempted visit on January 27, 2000, the provider advised audit team that she stopped caring for children on January 25, 2000, the day of our first visit. Provider did not notify sponsor of not caring for children.

D – SUMMARY OF PROVIDERS REQUESTING INACTIVE STATUS OR NOT PARTICIPATING IN CACFP AFTER OIG HOME VISIT

Provider Number	Dates of Visits	Times of Visits	Hours of Operations per Application	Approved Meal Types	Breakfast	A.M. Snack	Lunch	P.M. Snack	Supper	Amount of Meal Disallowances	Notes
24	01/25/00	12:40 p.m.	7:00 a.m. to 7:00 p.m.	B,L,P,S			64	80	60	\$249.56	(A)
	01/26/00	2:05 p.m.									
	01/27/00	10:50 a.m.									
45	01/26/00	12:55 p.m.	6:00 a.m. to 6:00 p.m.	B,L,P,S			40	100	100	286.60	(B)
57	01/25/00	5:15 p.m.	7:00 a.m. to 6:30 p.m.	B,L,P,S	33		33	75		123.63	(C)
61	01/31/00	6:00 p.m.	11:00 a.m. to 7:00 p.m.	L,P,S							(C)
59	01/25/00	9:05 a.m.	6:30 a.m. to 7:00 p.m.	B,L,P,S							(D)
70	01/26/00	8:45 a.m.	6:30 a.m. to 6:00 p.m.	B,L,P,S							(E)
14	01/25/00	10:35 a.m.	6:30 a.m. to 6:30 p.m.	B,L,P,S							(F)
					Total					\$659.79	

Notes:

- (A) On our third attempted visit on January 27, 2000, the provider advised the audit team that she stopped caring for children on January 25, 2000, the day of our first visit. Provider did not notify sponsor of her not caring for children.
- (B) Provider advised audit team that she would not submit a January meal claim since she was not participating in the CACFP; however, she submitted a January meal claim.
- (C) Provider requested that the sponsor place her on inactive status until further notice. Request made after OIG visit.
- (D) Audit team advised sponsor of suspicions that the provider completed menus and attendance sheets while auditors waited for provider to look for records, and that she cared for too many children. The sponsor subsequently conducted a technical assistance review and was informed by the provider that she was employed at a correctional center since November 11, 1999.
- (E) Provider requested that the sponsor remove her from the CACFP. Request made after OIG visit.
- (F) Provider did not notify sponsor that she was not participating in CACFP in January 2000.

E – AUDITEE RESPONSE TO DRAFT REPORT



United States Department of Agriculture
Food and Nutrition Service

Southwest Region

Reply to
Attn of: SWSN-200

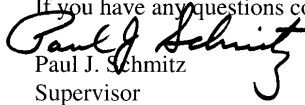
Subject: OIG Audit No. 27601-8-Te, Child and Adult Food Program, Metro Feed-A-Meal, Inc.,
Winnsboro, Louisiana

To:
Robert E. Gray
Regional Inspector General for Audit
Office of Inspector General

This memo will serve as our official comments on the above referred audit.

We agree with the information in Chapter 1, Finding 1. With regard to Recommendation # 1, the State agency has terminated this sponsor based on State agency reviews and Recommendation # 1 is therefore moot. We concur with Recommendations 2, 3, and 4.

If you have any questions concerning these comments contact me at (214) 290-9818.


Paul J. Schmitz
Supervisor
Child Nutrition Section

**Louisiana's Response to
OIG Audit # 27601-8-Te - Official Draft**

Recommendation #1:

"Instruct the State Agency to evaluate the conditions disclosed in this report and determine if the sponsor is seriously deficient in its administration of the program. If the sponsor is determined to be seriously deficient, direct the state to take appropriate action."

Response:

The state terminated Metro Feed-A-Meal, Inc. of Winnsboro, Louisiana from participation in the Child and Adult Care Food Program effective December 31, 2000. Additionally, the sponsor, involved employees and board members were reported to USDA for inclusion on the national list of seriously deficient institutions.

Recommendation #2:

"Require the state agency to examine providers' nos. 55 and 56 histories of participation to determine if the providers filed fraudulent claims. Notify OIG of the results of these examinations."

Response:

The state has requested from the sponsor the meal count and attendance records, menus and enrollment forms for all children enrolled with providers *nos. 55 and 56* . We will compare this information to the claims filed for these providers. We will call the telephone numbers provided for the parents of the enrolled children to verify their attendance at the day care homes.

Recommendation #3:

"Require the State agency to collect \$9,567 (13,163 claimed less \$3,596 offset by the sponsor) from the sponsor for ineligible meals claimed by the providers listed in exhibit C."

Response:

The state will issue a demand letter to the sponsor to recover the over claim in the amount of \$9,567 upon the receipt of the final audit report.

Recommendation #4:

"Instruct the State agency to work with the Louisiana Office of the State Fire Marshal to have the providers write their names and addresses on their fire extinguishers to maintain accountability of safety equipment."

Response:

The State issued the attached e-mail to all sponsors urging immediate implementation of the recommended policy. In addition, we have discussed this recommendation with staff from the Office of State Fire Marshal and are awaiting their response.

ABBREVIATIONS

CACFP
Child and Adult Care Food Program.....i

FNS
Food and Nutrition Servicei

Metro
Metro Feed-A-Meal, Inc.i

OIG
Office of Inspector Generali

USDA
United States Department Agriculturei